

**UNITED STATES DISTRICT COURT  
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.<sup>1</sup>

PROMESA  
Title III

Case No. 17 BK 3283-LTS

(Jointly Administered)

**VERIFIED STATEMENT OF THE COMMONWEALTH BONDHOLDER GROUP  
PURSUANT TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 2019**

Pursuant to Rule 2019 of the Federal Rules of Bankruptcy Procedure (“Bankruptcy Rule 2019”), made applicable to the Title III cases (collectively, the “Title III Cases”) of the Commonwealth of Puerto Rico (the “Commonwealth”) and the other above-captioned debtors (collectively, the “Title III Debtors”) by Section 310 of the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”), 48 U.S.C. § 2170, and in accordance with the *Seventh Amended Notice, Case Management and Administrative Procedures* [ECF No. 4086-1] (the “Amended Case Management Procedures”), this verified statement (this “Statement”) is submitted by certain holders (each, a “Member” and, together,

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<sup>1</sup> The Title III Debtors, along with each Title III Debtor’s respective Title III Case number and the last four digits of each Title III Debtor’s federal tax identification number, as applicable, are (i) the Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) the Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) the Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) the Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) the Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as bankruptcy case numbers due to software limitations).

the “Commonwealth Bondholder Group”)<sup>2</sup> of certain bonds issued or guaranteed by the Commonwealth (collectively, “General Obligation Bonds”).

In support of this Statement, the Commonwealth Bondholder Group respectfully states as follows:

1. In October 2018, the Commonwealth Bondholder Group engaged Davis Polk & Wardwell LLP (“Davis Polk”) to represent the Commonwealth Bondholder Group with respect to its Members’ holdings of General Obligation Bonds in connection with the Title III Cases. Davis Polk also separately represents Bonistas del Patio, Inc. (“Bonistas”), a nonprofit organization advocating for the interests of on-island bondholders, in connection with the Court-ordered mediation of the Title III Cases. Davis Polk does not represent or purport to represent any other entity or entities in connection with the Title III Cases. The Commonwealth Bondholder Group does not claim or purport to represent any other entity and undertakes no duties or obligations to any entity.

2. The Commonwealth Bondholder Group has also retained Paul, Weiss, Rifkind, Wharton & Garrison LLP (“Paul Weiss”) and Robbins, Russell, Englert, Orseck, Untereiner & Sauber LLP (“Robbins Russell”), as litigation counsel, and Jiménez, Graffam & Laussell (“Jiménez Gaffam” and, together with Davis Polk, Paul Weiss and Robbins Russell, “Counsel”), as Puerto Rico counsel, to represent the Commonwealth Bondholder Group in connection with the Title III Cases. Paul Weiss, Robbins Russell and Jiménez Gaffam also separately represent

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<sup>2</sup> The Commonwealth Bondholder Group consists of: (i) Aurelius Capital Management, LP, on behalf of the funds and entities that it manages or advises (“Aurelius”); (ii) Autonomy Capital (Jersey) LP, on behalf of certain of its affiliated investment funds (“Autonomy”); (iii) Brigade Capital Management, LP, on behalf of its funds and accounts (“Brigade”); (iv) Canyon Capital Advisors LLC, on behalf of its participating clients (“Canyon”); (v) Constellation Capital Management, LLC (“Constellation”); (vi) Davidson Kempner Capital Management LP, as investment advisor to its affiliated funds (“Davidson Kempner”); (vii) Monarch Alternative Capital LP, on behalf of certain of the funds and accounts it manages (“Monarch”); and (viii) OZ Management LP, on behalf of its participating funds and/or accounts (“OZ”). Members of the Commonwealth Bondholder Group file this Statement exclusively on their behalves and do not assume any fiduciary or other duties to any other creditor or person.

the Ad Hoc Group of General Obligation Bondholders (as defined in that certain *Fourth Supplemental Verified Statement of the Ad Hoc Group of General Obligation Bondholders Pursuant to Bankruptcy Rule 2019* [ECF No. 4079]). Paul Weiss, Robbins Russell and Jiménez Gaffam do not represent or purport to represent any other entity or entities in connection with the Title III Cases.

3. The Members of the Commonwealth Bondholder Group, and their affiliates, collectively, beneficially own or manage (or are the investment advisors or managers for funds that beneficially own or manage) approximately \$3.6 billion in aggregate principal amount of General Obligation Bonds. In accordance with Bankruptcy Rule 2019 and the Amended Case Management Procedures, the address, nature and amount of all disclosable economic interests of each Member of the Commonwealth Bondholder Group is set forth in Exhibit A attached hereto. The information contained in Exhibit A is based upon information provided by the Members of the Commonwealth Bondholder Group to Counsel and is subject to change.

4. Davis Polk's address is 450 Lexington Avenue, New York, New York 10017. Paul Weiss' address is 1285 Avenue of the Americas, New York, New York 10019. Robbins Russell's address is 1801 K Street, NW, Washington, District of Columbia 20006. Jiménez Gaffam's address is PO Box 366104, San Juan, Puerto Rico 00936.

5. Counsel submits this Statement on behalf of the Commonwealth Bondholder Group out of an abundance of caution, and nothing herein should be construed as an admission that the requirements of Bankruptcy Rule 2019 or the Amended Case Management Procedures apply to Counsel's representation of the Commonwealth Bondholder Group.

6. Nothing contained in this Statement, including Exhibit A hereto, should be construed as (a) a waiver or release of any claims against the Title III Debtors by any Member of

the Commonwealth Bondholder Group, (b) an admission with respect to any fact or legal theory or (c) a limitation upon, or waiver of, any Commonwealth Bondholder Group Member's right to file and/or amend a proof of claim in accordance with applicable law and any orders entered in the Title III Cases establishing procedures for filing proofs of claim or interests.

7. The undersigned verify that the foregoing is true and correct to the best of their knowledge.

8. Counsel reserves the right to amend or supplement this Statement.

9. The information contained herein is intended only to comply with Bankruptcy Rule 2019 and the Amended Case Management Procedures and is not intended for any other use or purpose.

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Dated: San Juan, Puerto Rico  
January 11, 2019

**DAVIS POLK & WARDWELL LLP**

/s/ Donald S. Bernstein

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*Counsel to the Commonwealth Bondholder Group*

**EXHIBIT A**<sup>3</sup>

Name	Address	Nature and Amount of Disclosable Economic Interest <sup>4</sup>
Aurelius Capital Management, LP	535 Madison Avenue, 31st Floor New York, NY 10022	<ul style="list-style-type: none"><li>• \$305,464,902 in aggregate principal amount of General Obligation Bonds</li><li>• \$63,467,058 in aggregate principal amount of General Obligation Bonds (insured by monoline insurer)<sup>5</sup></li><li>• \$41,295,000 in aggregate principal amount of COFINA Senior Bonds<sup>6</sup></li><li>• \$192,850,000 in aggregate principal amount of COFINA Subordinated Bonds</li><li>• \$18,817,525 in aggregate principal amount of HTA Bonds (insured by monoline insurer)</li></ul>

<sup>3</sup> Amounts listed on this Exhibit A include only outstanding principal and do not include accrued and unpaid interest, interest on overdue interest and principal, or other amounts that may be owing under the applicable debt documents and laws (provided that amounts due on capital appreciation bonds include accreted amounts as of the relevant petition date). Notwithstanding the foregoing, each Member reserves its right to pursue claims for post-petition interest in connection with the economic interests disclosed herein. The amounts set forth herein include any disclosable economic interests that were sold, but had not yet settled, as of January 9, 2019. The amounts set forth herein do not include any disclosable economic interests that were bought, but had not yet settled, as of January 9, 2019.

<sup>4</sup> To the best of Counsel's knowledge, the information included herein is accurate as of January 9, 2019. The Members of the Commonwealth Bondholder Group are disclosing their economic interests in each of the Title III Debtors out of an abundance of caution, and nothing herein should be construed as an admission that the requirements of Bankruptcy Rule 2019 or the Amended Case Management Procedures require the Commonwealth Bondholder Group to disclose such economic interests.

<sup>5</sup> The amounts set forth herein are net of payments made by the monoline insurer on account of such bonds.

<sup>6</sup> As disclosed in the *Amended and Restated Plan Support Agreement*, dated as of September 20, 2018, by and among the Financial Oversight and Management Board for Puerto Rico (the "Oversight Board"), COFINA, the Puerto Rico Fiscal Agency and Financial Advisory Authority ("AAFAF"), certain insurers of bonds issued by COFINA, certain holders of bonds issued by COFINA (the "PSA Creditors") and Bonistas [ECF No. 4068; Ex. B] (the "A&R PSA"), Aurelius Capital Master, Ltd. (an affiliate of Aurelius), Canyon and Six PRC Investments LLC (an affiliate of Monarch) are PSA Creditors. In accordance with the terms set forth in the A&R PSA, each PSA Creditor shall receive, based upon such entity's respective COFINA bond holdings as of August 7, 2018, certain consummation costs in cash on the effective date of the plan of adjustment for COFINA.

Name	Address	Nature and Amount of Disclosable Economic Interest <sup>4</sup>
Autonomy Capital (Jersey) LP	7-9 Conway Street Conway House, 2nd Floor Saint Helier, Jersey JE2 3NT	<ul style="list-style-type: none"> <li>• \$1,027,163,000 in aggregate principal amount of General Obligation Bonds<sup>7</sup></li> </ul>
Brigade Capital Management, LP	399 Park Avenue, Suite 1600 New York, NY 10022	<ul style="list-style-type: none"> <li>• \$287,844,000 in aggregate principal amount of General Obligation Bonds</li> <li>• \$2,390,000 in aggregate principal amount of General Obligation Bonds (insured by monoline insurer)<sup>5</sup></li> <li>• \$46,600,000 in aggregate principal amount of COFINA Senior Bonds</li> <li>• \$37,500,000 in aggregate principal amount of COFINA Subordinated Bonds</li> <li>• \$11,395,000 in aggregate principal amount of HTA Bonds (insured by monoline insurer)<sup>5</sup></li> <li>• \$198,459,700 in aggregate principal amount of PREPA Bonds</li> </ul>

<sup>7</sup> Autonomy is not a holder of COFINA bonds. As disclosed in the *Commonwealth of Puerto Rico's Motion Pursuant to Bankruptcy Rule 9019 for Order Approving Settlement Between the Commonwealth of Puerto Rico and Puerto Rico Sales Tax Financing Corporation* [ECF No. 4067] (the "Settlement Motion"), in late August 2018, certain holders of COFINA bonds reached out to Autonomy requesting that Autonomy participate in the mediation regarding the plan of adjustment for COFINA and the Original Plan Support Agreement, and, specifically, that Autonomy evidence its decision not to object to settlement of the Commonwealth-COFINA Dispute or confirmation of the plan of adjustment for COFINA. Although not a holder of COFINA bonds, Autonomy entered into that certain Plan Support Agreement Letter (the "PSA Letter"), dated as of September 21, 2018, by and between Autonomy, Aurelius Capital Master, Ltd. and Six PRC Investments LLC, on the one hand, and COFINA, AAFAF and the Oversight Board, on the other hand, pursuant to which, Autonomy agreed (i) not to object to the Settlement Motion or to confirmation of the plan of adjustment for COFINA, (ii) to instruct its counsel to state at the hearing for approval of the Settlement Motion and at the hearing for confirmation of the plan of adjustment for COFINA that Autonomy does not object to approval of the Settlement Motion and the confirmation of the plan of adjustment for COFINA, and (iii) to be bound by certain provisions of the A&R PSA. The terms of the PSA Letter, which included a mutual exchange of consideration, were negotiated in good faith by the parties as part of the larger mediation supervised by Chief Bankruptcy Judge Houser. Capitalized terms used but not otherwise defined in this footnote shall have the meanings set forth in the Settlement Motion.



Name	Address	Nature and Amount of Disclosable Economic Interest <sup>4</sup>
Canyon Capital Advisors LLC	2000 Avenue of the Stars, 11th Floor Los Angeles, CA 90067	<ul style="list-style-type: none"> <li>• \$668,379,895 in aggregate principal amount of General Obligation Bonds</li> <li>• \$9,223,750 in aggregate principal amount of General Obligation Bonds (insured by monoline insurer)<sup>5</sup></li> <li>• \$246,075,000 in aggregate principal amount of COFINA Senior Bonds<sup>6</sup></li> <li>• \$1,335,125 in aggregate principal amount of HTA Bonds (insured by monoline insurer)<sup>5</sup></li> </ul>
Constellation Capital Management, LLC	509 Madison Avenue, Suite 708 New York, NY 10022	<ul style="list-style-type: none"> <li>• \$73,720,000 in aggregate principal amount of General Obligation Bonds</li> </ul>
Davidson Kempner Capital Management LP	520 Madison Avenue, 30th Floor New York, NY 10022	<ul style="list-style-type: none"> <li>• \$437,371,000 in aggregate principal amount of General Obligation Bonds</li> <li>• \$131,535,017 in aggregate principal amount of COFINA Senior Bonds</li> <li>• \$86,550,000 in aggregate principal amount of COFINA Subordinated Bonds</li> <li>• \$138,699,705 in aggregate principal amount of HTA Bonds</li> <li>• \$3,685,000 in aggregate principal amount of HTA Bonds (insured by monoline insurer)<sup>5</sup></li> <li>• \$22,545,000 in aggregate principal amount of PREPA Bonds</li> <li>• \$420,000 in aggregate principal amount of PREPA Bonds (insured by monoline insurer)<sup>5</sup></li> </ul>

Name	Address	Nature and Amount of Disclosable Economic Interest <sup>4</sup>
Monarch Alternative Capital LP	535 Madison Avenue, 26th Floor New York, NY 10002	<ul style="list-style-type: none"> <li>• \$306,217,143 in aggregate principal amount of General Obligation Bonds</li> <li>• \$34,625,000 in aggregate principal amount of General Obligation Bonds (insured by monoline insurer)<sup>5</sup></li> <li>• \$133,239,383 in aggregate principal amount of COFINA Senior Bonds<sup>6</sup></li> <li>• \$262,959,047 in aggregate principal amount of COFINA Subordinated Bonds</li> <li>• \$56,463,125 in aggregate principal amount of HTA Bonds (insured by monoline insurer)<sup>5</sup></li> </ul>
OZ Management LP	9 West 57th Street, 39th Floor New York, NY 10019	<ul style="list-style-type: none"> <li>• \$374,966,000 in aggregate principal amount of General Obligation Bonds</li> </ul>